

# **Kentucky Agricultural Finance Corporation**

## **Minutes of the February Meeting**

The meeting of the Kentucky Agricultural Finance Corporation was held on Friday February 3, 2006 at 10:00 AM EDT at the Commissioner of Agriculture offices in Frankfort, Kentucky. Commissioner Farmer, presiding, called the meeting to order. Mr. Farmer then asked Nicole Ray, Secretary, to call the roll.

### **Members Present**

Commissioner Farmer; Wayne Hunt; Larry Jagers; Billy Joe Miles; Bob Proffitt; James Reams; Secretary Rudolph (Ed Ross, designee); Crawford Walters

### **Members Absent**

Jane Jones, Doug Lawson, Charles Miller, Frank Penn

### **Others Present**

**Staff-** Catherine Ball, David Bratcher, Tim Hughes, Nicole Ray, Keith L. Rogers

**Guests-** Dr. Jeff Barber, Mr. Hugh Haydon, Dr. Donald Miller, Keith Davis, Barry Bratcher, Dr. Maelor Davies, Rodney Brown

### **Notification of Press**

Keith Rogers stated that the media had been notified.

### **Introduction of Guests**

### **Review and approval of Minutes of January 6, 2006**

A motion to approve the January minutes was made by Mr. Miles, seconded by Ms. Walters. The motion passed without dissent.

### **Executive Director's Report**

Mr. Rogers presented an overview of the Governor's budget and the MSA Agreement as they relate to the Agricultural Development Fund (ADF).

Mr. Rogers reminded the board of the ADF Annual Meeting on February 10 in Louisville and encouraged them to attend.

Mr. Rogers notified the Board that the next meeting will be Friday, March 3 in Frankfort.

### **Marketing and Business Development Coordinator's Report**

Mr. Hughes called the attention of the board to the KAFC loan status spreadsheet in their update folder.

Mr. Hughes notified the board of increased interest by farmers in the AILP due to an article in the Burley Tobacco Co-Op newsletter.

### **Presentation: Dr. H. Maelor Davies – KTRDC**

Mr. Rogers introduced Dr. H. Maelor Davies from the Kentucky Tobacco Research and Development Center (KTRDC) at the University of Kentucky. Dr. Davies presented the board with an explanation of plant-made pharmaceuticals and production in tobacco.

### **Old Business**

Applications to the Agricultural Development Board

#### ***Coordinated Value-Added Production Assistance Fund***

Mr. Hughes presented the application that will be proposed to the ADB from the KAFC board to create a Coordinated Value-Added Production Assistance Fund. **A motion to approve the application with staff recommendations was made by Mr. Proffitt, seconded by Mr. Jagers. The motion passed without dissent.**

#### ***KAFC Beginning/Tenant Farmer Loan Fund***

Mr. Hughes presented the application that will be proposed to the ADB from the KAFC board to create a Beginning/Tenant Farmer Loan Fund. **A motion to approve the application with staff recommendations was made by Mr. Miles, seconded by Mr. Proffitt. The motion passed without dissent.**

### **New Business**

Loan applications

#### **Agricultural Processing Loan Program – Discussion and Action**

Mr. Hughes introduced #AF06-0002 by Kentucky BioProcessing, Inc. Staff recommended that the applicant be approved for a \$3.6 million loan with interest only payments due for three years at a rate of 4.25% with the KAFC Executive Director finalizing the additional details. Furthermore, beginning on the third anniversary of the loan, the principal balance will be amortized over a ten year period with the interest rate to be determined by KAFC at that time. **A motion to approve staff recommendations was made by Mr. Hunt, seconded by Mr. Ross. The motion passed without dissent. Mr. Miles abstained from voting.**

### **Other Business**

No other business.

### **Closing Remarks**

The motion to adjourn was made by Mr. Hunt, seconded by Mr. Reams. The motion passed without dissent.

The meeting adjourned at 12:30 p.m. EDT.